

*Loan Consolidation will Mean Lower Interest Rates, Monthly Payments for Business Owners*  
July 22, 2010

WASHINGTON, D.C. – Today, Congressman Charlie Melancon (LA-03) discussed legislation he introduced this week to provide relief to small business owners and fishermen who have been forced to take out federal loans due to the economic impact of the oil disaster in the Gulf. Many of these same small businesses and fisherman were compelled to take SBA loans following the hurricanes in 2005 and 2008.

Congressman Melancon's bill, the *SBA Disaster Loan Relief Act of 2010* (H.R. 5787), would allow these loan holders to consolidate and refinance their SBA oil disaster loans with any other SBA disaster or economic injury loans they currently have. Consolidation would provide small business owners with lower interest rates and more manageable payment schedules spread out over 30 years.

**"The oil disaster in the Gulf has many Louisiana fishermen and small businesses struggling to get by day to day,"** said Congressman Melancon. **"Yet they are concerned about taking on another SBA disaster loan while they are still working to repay their loans from Hurricanes Katrina, Rita, Gustav or Ike. Compensation from BP will help, but during this uncertain time Louisianians will need to stretch every dollar. My bill will help those business owners who have weathered multiple disasters over the past few years take on a bridge loan to keep their doors open until our economy picks up again."**

Lee Rea, co-owner of the family-owned and operated Peaches Records in New Orleans, commented, **"Our family has been in the record-selling business for over 35 years, and we were proud to reopen Peaches Records in the French Quarter after Hurricane Katrina. Congressman Melancon's bill will save our business money now, when we need it most, and cut down on the time-consuming paperwork involved with managing multiple loans."**

Consolidation and refinancing would be available for small business owners within 30 days after enactment of the *SBA Disaster Loan Relief Act of 2010*. Current SBA disaster loans are being offered at an interest rate of 4% for small businesses and 3% for non profit organizations, payable over 30 years. In May, the SBA announced that no loan payments will be due for one year on all loans approved to small businesses affected by the Deepwater BP Oil Spill.

The BP oil disaster has impacted three major sectors of Louisiana's economy – fishing, offshore energy production, and tourism – affecting thousands of workers. Congressman Melancon has been pressing the federal government to [end the moratorium](#) on deep-water drilling and clarify new regulations for [shallow-water drilling](#) that have created a "de facto" moratorium in the Gulf. The offshore energy industry is a major economic engine for south Louisiana, providing thousands of jobs and supporting numerous locally-based service companies in Congressman Melancon's Congressional district.

Congressman Melancon also worked to secure a fisheries disaster declaration from the federal government, paving the way for financial assistance for fishermen and small businesses in the

seafood industry. Melancon [began calling for the fisheries assistance in April](#) , when he told the head of NOAA's Fisheries Service and the Secretary of Commerce that the oil intrusion resulting from the Deepwater Horizon oil rig disaster would likely damage the fragile habitats on which Louisiana's fishermen, oystermen, and shrimpers depend.

Congressman Melancon represents in Congress the areas of coastal Louisiana most directly affected by the oil leak, including Plaquemines, St. Bernard, Terrebonne, Lafourche, St. Mary and southern Jefferson Parishes. The Deepwater Horizon platform was located 50 miles off the coast of Louisiana's Third Congressional District.

[Click here](#) to read Congressman Melancon's legislation.

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